

1 Roksana D. Moradi-Brovia (Bar No. 266572)
W. Sloan Youkstetter (Bar No. 296681)
2 **RESNIK HAYES MORADI LLP**
17609 Ventura Blvd., Suite 314
3 Encino, CA 91316
Telephone: (818) 285-0100
4 **Facsimile:** (818) 855-7013
roksana@RHMFirm.com
5 sloan@RHMFirm.com

6 *Attorneys for Debtor*
Northern Holdings, LLC
7

8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SANTA ANA DIVISION**

11 In re:

12
13 NORTHERN HOLDING, LLC,

14 Debtor.

Case No. 8:20-bk-13014-MW

Chapter 11

**SUPPLEMENT TO DEBTOR'S
STATUS REPORT [DOCKET NO.
113]; DECLARATION OF LEROY
CODDING IN SUPPORT THEREOF**

Date: June 14, 2021

Time: 9:00 a.m.

Place: Courtroom 6C

411 W. Fourth Street
Santa Ana, CA 92701

15
16
17
18
19 **TO THE HONORABLE MARK S. WALLACE, UNITED STATES**
20 **BANKRUPTCY JUDGE; THE UNITED STATES TRUSTEE AND HIS COUNSEL**
21 **OF RECORD; AND ALL CREDITORS AND PARTIES IN INTEREST:**

22 Northern Holdings, LLC, the "Debtor" and "Debtor-in-Possession" ("DIP") in the
23 above referenced Chapter 11 case, hereby submits a supplement to its third *Status Report*
24 [Docket No. 113], as follows:

25 ///

26 ///

27 ///

28 ///

The Debtor currently owns and operates the following real properties:

<p>“Live Oak Property”</p> <p>2380 Live Oak Road Paso Robles, CA 93446</p> <p><i>2 homes on the property.</i></p>	<p>Fair Market Value (“FMV”) – <u>to be determined by the approved sale price (see below)</u></p> <p>1st TD: Farm Credit West, FLCA [hereinafter “Farm Credit”] (cross-collateralized with 1172 and Texas Road) \$19,040,509.25 (per Farm Credit’s Motion for Relief)</p> <p>Property Taxes: County of San Luis Obispo County Tax Collector \$13,625.84</p>
<p>“1172 Property”</p> <p>1172 San Marcos Road Paso Robles, CA 93446</p> <p><i>Winery facility (42,000 sq ft) and residential apartment.</i></p>	<p>FMV \$11,500,000</p> <p>1st TD: Farm Credit (cross-collateralized with Live Oak and Texas Road) \$19,040,509.25 (per Farm Credit’s Motion for Relief)</p> <p>Property Taxes: County of San Luis Obispo County Tax Collector \$3,200,000</p>
<p>“Texas Road Property”</p> <p>APN 027-145-022</p> <p><i>42-acre vineyard (permits obtained for a single-family residence but no plan to proceed with construction at this point).</i></p>	<p>FMV \$4,300,000</p> <p>1st TD: Farm Credit (cross-collateralized with 1172 and Live Oak) \$19,040,509.25 (per Farm Credit’s Motion for Relief)</p> <p>Property Taxes: County of San Luis Obispo County Tax Collector \$6,618.26</p>

The Debtor is very pleased to report that it received several bids on the various real properties. The Debtor is prepared to accept a bid for the Live Oak property, subject to the result of the continued hearings on the U.S. Trustee’s (“UST”) *Motion to Dismiss or Convert* [Docket No. 60] and senior lienholder Farm Credit’s *Motion for Relief from the Automatic Stay* [Docket No. 11], which are set for the same date and time as the Status

Conference this supplement relates to.

The offer on just the Live Oak property (land and two homes) is several million dollars higher than Farm Credit's appraisal of the property. It is also about 72% of the amount of the entire debt owed to Farm Credit. If the Court allows the Debtor to proceed as the DIP in this Chapter 11 case, the Debtor will accept the bid and its real estate consultant and broker, Hilco Real Estate, LLC ("Hilco"), will proceed with drafting a purchase sale agreement, which will be the basis of an imminently filed motion for approval of sale.

The Debtor has revealed to Farm Credit the details of the bid on the Live Oak property. However, as the Debtor cannot accept the bid prior to the conclusion of the June 14, 2021 hearings, those details are not disclosed herein. The Debtor can submit the details to the Court under seal or provide them for *in camera* review. The Debtor can confirm that Hilco, at the Debtor's direction, has performed a robust investigation of the proposed buyer and has found this party to be creditworthy and the offer to be sound, and therefore supports the Debtor's acceptance of the bid.

There is significant interest in the winery facility and the vineyard – several bids were received for either just one of the properties, or a combination. There is one group in particular that is expected to submit a bid shortly and the Debtor and Hilco have determined that the best course of action is to wait on this last bid before deciding on how to proceed with regards to the 1172 and Texas Road properties. Another consideration is that an accepted offer on the Live Oak property will positively impact the interest in the winery facility and the vineyard.

Dated: June 11, 2021

RESNIK HAYES MORADI LLP

By: /s/ Roksana D. Moradi-Brovia

Roksana D. Moradi-Brovia

W. Sloan Youkstetter

Attorneys for Debtor
Northern Holdings, LLC

DECLARATION OF LEROY CODDING

I, Leroy Coddington, declare as follows:

1. I have personal knowledge of the facts set forth herein, and if called as a witness, I could and would testify competently with respect thereto. Where facts are alleged upon information and belief, I believe them to be true.

2. I am the sole and managing member and the custodian of records of Northern Holdings, LLC, the “Debtor” and “Debtor-in-Possession” (“DIP”) in this Chapter 11 case. I am authorized to make decisions for the Debtor.

3. The Debtor currently owns and operates the following real properties:

“Live Oak Property” 2380 Live Oak Road Paso Robles, CA 93446 <i>2 homes on the property.</i>	Fair Market Value (“FMV”) – <u>to be determined by the approved sale price (see below)</u> 1st TD: Farm Credit West, FLCA [hereinafter “Farm Credit”] (cross-collateralized with 1172 and Texas Road) \$19,040,509.25 (per Farm Credit’s Motion for Relief) Property Taxes: County of San Luis Obispo County Tax Collector \$13,625.84
“1172 Property” 1172 San Marcos Road Paso Robles, CA 93446 <i>Winery facility (42,000 sq ft) and residential apartment.</i>	FMV \$11,500,000 1st TD: Farm Credit (cross-collateralized with Live Oak and Texas Road) \$19,040,509.25 (per Farm Credit’s Motion for Relief) Property Taxes: County of San Luis Obispo County Tax Collector \$3,200,000

1	“Texas Road Property”	FMV \$4,300,000
2	APN 027-145-022	1st TD:
3	<i>42-acre vineyard (permits</i>	Farm Credit (cross-collateralized with 1172 and Live Oak)
4	<i>obtained for a single-</i>	\$19,040,509.25 (per Farm Credit’s Motion for Relief)
5	<i>family residence but no</i>	Property Taxes:
6	<i>plan to proceed with</i>	County of San Luis Obispo County Tax
7	<i>construction at this point).</i>	Collector
		\$6,618.26

8 4. I am pleased to report that the Debtor received several bids on the various
9 real properties.

10 5. The Debtor is prepared to accept a bid for the Live Oak property, subject to
11 the result of the continued hearings on the U.S. Trustee’s (“UST”) *Motion to Dismiss or*
12 *Convert* [Docket No. 60] and senior lienholder Farm Credit’s *Motion for Relief from the*
13 *Automatic Stay* [Docket No. 11], which are set for the same date and time as the Status
14 Conference this supplement relates to.

15 6. The offer on just the Live Oak property (land and two homes) is several
16 million dollars higher than Farm Credit’s appraisal of the property. It is also about 72% of
17 the amount of the entire debt owed to Farm Credit.

18 7. If the Court allows the Debtor to proceed as the DIP in this Chapter 11 case,
19 the Debtor will accept the bid and its real estate consultant and broker, Hilco Real Estate,
20 LLC (“Hilco”), will proceed with drafting a purchase sale agreement, which will be the
21 basis of an imminently filed motion for approval of sale.

22 8. I have instructed the Debtor’s counsel to reveal to Farm Credit’s counsel the
23 details of the bid on the Live Oak property. However, as the Debtor cannot accept the bid
24 prior to the conclusion of the June 14, 2021 hearings, those details are not disclosed in the
25 Debtor’s supplement to its third *Status Report* [Docket No. 113].

26 9. The Debtor can of course submit the details to the Court via whatever is the
27 appropriate procedure.
28

1 10. I can confirm that Hilco, at the Debtor's direction, has performed a robust
2 investigation of the proposed buyer. I have reviewed this information and I believe this
3 party to be creditworthy and that the offer is sound. I therefore support the Debtor's
4 acceptance of the bid.

5 11. I am further pleased to report that there is significant interest in the winery
6 facility and the vineyard – several bids were received for either just one of the properties,
7 or a combination.

8 12. There is one group in particular that is expected to submit a bid shortly and
9 the Debtor and Hilco have determined that the best course of action is to wait on this last
10 bid before deciding on how to proceed with regards to the 1172 and Texas Road
11 properties. Another consideration is that an accepted offer on the Live Oak property will
12 positively impact the interest in the winery facility and the vineyard.

13
14 I declare under penalty of perjury pursuant to the laws of the United States of
15 America that the foregoing is true and correct.

16
17 Executed this June ___, 2021 at _____, California.

18
19 By: SEE NEXT PAGE

20
21 **Leroy Coddling**
22 *Declarant*
23
24
25
26
27
28

1 10. I can confirm that Hilco, at the Debtor's direction, has performed a robust
2 investigation of the proposed buyer. I have reviewed this information and I believe this
3 party to be creditworthy and that the offer is sound. I therefore support the Debtor's
4 acceptance of the bid.

5 11. I am further pleased to report that there is significant interest in the winery
6 facility and the vineyard – several bids were received for either just one of the properties,
7 or a combination.

8 12. There is one group in particular that is expected to submit a bid shortly and
9 the Debtor and Hilco have determined that the best course of action is to wait on this last
10 bid before deciding on how to proceed with regards to the 1172 and Texas Road
11 properties. Another consideration is that an accepted offer on the Live Oak property will
12 positively impact the interest in the winery facility and the vineyard.

13
14 I declare under penalty of perjury pursuant to the laws of the United States of
15 America that the foregoing is true and correct.

16
17 Executed this June 11, 2021 at Paso Robles, California.

18
19 By: _____


Leroy Coddington
Declarant

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

17609 Ventura Blvd., Suite 314, Encino, CA 91316.

A true and correct copy of the foregoing document entitled (*specify*): SUPPLEMENT TO DEBTOR'S STATUS REPORT [DOCKET NO. 113]; DECLARATION OF LEROY CODDING IN SUPPORT THEREOF will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 6/11/2021, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On (*date*) 6/11/2021, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

No Judge's Copy required for documents less than 25-pages per GENERAL ORDER 20-06 - IN RE: PROCEDURES FOR PHASED REOPENING DURING COVID-19 PUBLIC EMERGENCY.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 6/11/2021, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

6/11/2021
Date

Ja'Nita Fisher
Printed Name

/s/ Ja'Nita Fisher
Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) [CONTINUED]:

- Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- Michael J Gomez mgomez@frandzel.com, dmoore@frandzel.com
- Roksana D. Moradi-Brovia roksana@rhmfir.com,
matt@rhmfir.com;janita@rhmfir.com;susie@rhmfir.com;max@rhmfir.com;priscilla@rhmfir
m.com;pardis@rhmfir.com;russ@rhmfir.com;rebeca@rhmfir.com;david@rhmfir.com;sloan
@rhmfir.com
- Matthew D. Resnik matt@rhmfir.com,
roksana@rhmfir.com;janita@rhmfir.com;susie@rhmfir.com;max@rhmfir.com;priscilla@rh
mfir.com;pardis@rhmfir.com;russ@rhmfir.com;rebeca@rhmfir.com;david@rhmfir.com;sl
oan@rhmfir.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov
- Reed S Waddell rwaddell@frandzel.com, sking@frandzel.com
- Gerrick Warrington gwarrington@frandzel.com, sking@frandzel.com

2. SERVED BY UNITED STATES MAIL [CONTINUED]:

Northern Holding, LLC
13217 Jamboree Rd #429
Tustin CA 92782

ALL CREDITORS:

Franchise Tax Board
Bankruptcy Section MS: A-340
PO Box 2952
Sacramento, CA 95812

Internal Revenue Service
PO Box 7346
Philadelphia, PA 19101

Employment Development Dept.
Bankruptcy Group MIC 92E
Po Box 826880
Sacramento, CA 94280

California Department of Tax and Fee
Administration
Account Information Group MIC:29
P.O. Box 942879
Sacramento, CA 94279

U. S. Securities and Exchange Commission
Attn: Bankruptcy Counsel
444 South Flower Street, Suite 900
Los Angeles, CA 90071-9591

Attorney General
United States Department of Justice
Ben Franklin Station

P. O. Box 683
Washington, DC 20044

Civil Process Clerk
United States Attorney's Office
Federal Building, Room 7516
300 North Los Angeles Street
Los Angeles, CA 90012

Erich Russell
2380 Live Oak Road
Paso Robles, CA 93446

Farm Credit West
3755 Atherton Rd
11707 Fair Oaks Blvd
Rocklin, CA 95765

Farm Credit West, FLCA
c/o Frandzel Robins Bloom & Csato, L.C.
Attn: Michael J. Gomez, Reed Waddell
and Gerrick Warrington
1000 Wilshire Boulevard, 19th Floor
Los Angeles, California 90017

Mortgage Lender Services as Agent
Farm Credit West, FLCA, as Trustee
11707 Fair Oaks Blvd

Fair Oaks, CA 95628

San Luis Obispo Tax Collector
James Hamilton - ACTTC
1055 Monterey St Room D290
San Luis Obispo, CA 93408

Erich Russell
c/o Kari L. Ley
Attorney at Law
264 Clovis Ave, Suite 208
Clovis, CA 93612

Bank of America
PO Box 15019
Wilmington, DE 19850

Capital One
PO Box 60599
City of Industry, CA 91716

Electro-Steam Generator Corp.
50 Indel Ave.
Rancocas, NJ 08073

Farm Credit West

Attn: Kevin E. Ralph
3755 Atherton Dr.
Rocklin, CA 95765

James W. Hamilton CPA
1055 Montgomery Street
Suite D-290
San Luis Obispo, CA 93408

Mortgage Lender Services as Agent
Farm Credit West as Trustee
11707 Fair Oaks Blvd.
Fair Oaks, CA 95628

PG&E
PO Box 99700
Sacramento, CA 95899

Sunbelt Rentals
Po Box 409211
Atlanta, GA 30384

West Coast Wine Partners
134 Church Street
Sonoma, CA 95476